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7 **IN THE UNITED STATES DISTRICT COURT FOR THE**
8 **EASTERN DISTRICT OF WASHINGTON**

9 **UNITED STATES OF AMERICA,**

CASE NO. 21-cv-03126-TOR

10 **Plaintiff,**

11 **vs.**

**ANSWER AND AFFIRMATIVE
DEFENSES**

12 **RICK GRAY and GRAY FARMS &**
13 **CATTLE COMPANY, LLC,**

14 **Defendants.**

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16 COME NOW Defendants RICK GRAY and GRAY FARMS &
17 CATTLE COMPANY, LLC, and for their Answer to the Complaint filed
18 against them, admit, deny, and aver as follows:
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20 **A. ANSWER**

21 1. The allegations set forth in Complaint ¶1 do not allege any
22 conduct of either defendant and therefore does *not* require an Answer from
23 Defendants. Defendants nevertheless deny the allegations set forth in
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1 Complaint ¶1 for lack of sufficient information upon which to justify a
2 reasonable belief and/or out of an abundance of caution.
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4 2. Defendants deny the allegations set forth in Complaint ¶2.

5 3. Defendants deny the allegations set forth in Complaint ¶3.

6 4. Defendants admit that the Court has jurisdiction over this
7 matter and that venue is proper in this Court but deny each and every
8 remaining allegation set forth in set forth in Complaint ¶4 of the
9 Complaint.
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12 5. Defendants admit that the Court has jurisdiction over this
13 matter and that venue is proper in this Court but deny each and every
14 remaining allegation set forth in set forth in Complaint ¶5 of the
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16 6. Defendants admit the allegations set forth in Complaint ¶6.

17 7. The allegations set forth in Complaint ¶7 merely allege
18 conclusions of law and do not require an Answer by defendants.
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20 Defendants nevertheless deny the allegations set forth in Complaint ¶7
21 out of an abundance of caution and for lack of sufficient information
22 upon which to justify a reasonable belief.
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1 8. The allegations set forth in Complaint ¶8 merely allege
2 conclusions of law and do not require an Answer by defendants.

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4 Defendants nevertheless deny the allegations set forth in Complaint ¶8
5 out of an abundance of caution and for lack of sufficient information
6 upon which to justify a reasonable belief.
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8 9. Defendants deny the allegations set forth in Complaint ¶9 for
9 lack of sufficient information upon which to justify a reasonable belief.
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11 10. Defendants admit that Defendant Rick T. Gray was a resident
12 of the Eastern District of Washington with wheat farming operations in
13 Klickitat County, Washington, located in the Eastern District of
14 Washington. Defendants further admit that Defendant Rick T. Gray sought
15 and received federally reinsured crop insurance for his wheat farming
16 operations in 2015 and/or 2016. Defendants deny the remaining
17 allegations set forth in Complaint ¶10, including those for which
18 Defendants lack sufficient information upon which to justify a reasonable
19 belief.
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23 11. Defendants admit that Gray Farms & Cattle Co., LLC is a
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1 limited liability company incorporated in the State of Washington, with its
2 principal place of business in the Eastern District of Washington and that
3 Defendant Rick T. Gray is currently the manager of Defendant Gray Farms
4 & Cattle Co., LLC. Defendants deny the remaining allegations set forth in
5 Complaint ¶11, including those for which Defendants lack sufficient
6 information upon which to justify a reasonable belief.
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9 12. The allegations set forth in Complaint ¶¶12-31 merely allege
10 conclusions of law and do not require an Answer by defendants.
11 Defendants nevertheless deny the allegations set forth in Complaint ¶¶12-
12 31 out of an abundance of caution and for lack of sufficient information
13 upon which to justify a reasonable belief.
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16 13. Defendants admit that Gray Farms & Cattle Co. obtained
17 federally insured loans for its wheat operations in Klickitat County,
18 Washington on various occasions, and that the loan documentation is the
19 best evidence of those loans. Defendants nevertheless deny the allegations
20 set forth in Complaint ¶¶32-44 pending discovery and for lack of sufficient
21 information upon which to justify a reasonable belief.
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1 14. Defendants deny the allegations set forth in Complaint ¶¶45-
2 47 and places Plaintiff on strict proof thereof, because Columbia State
3 Bank—and *not* Defendants—changed the operator from Gray Farms to
4 Gray Land & Cattle Co.
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6 15. Defendants deny the allegations set forth in Complaint ¶¶48-
7 73 and places Plaintiff on strict proof thereof.
8

9 16. Defendants deny the allegations set forth in Complaint ¶¶74-
10 101 and place Plaintiff on strict proof thereof.
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12 **B. Affirmative Defenses**

13 17. Plaintiff must prove its allegations of fraud by clear and
14 convincing evidence.
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16 18. Failure to state a claim upon which relief may be granted.

17 19. Defendants followed the instructions provided to them by
18 Columbia State Bank, Farm Service Agency, and Manley Crop Insurance,
19 including relative to 2015 and 2016, in connection with “old wheat” from
20 prior year(s) which was never co-mingled with “new wheat” from a current
21 crop year.
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1 20. Statute of limitations;

2 21. Third party fault in that Manley Crop Insurance, RMA and/or
3
4 RCIS falsified documents which have given rise to the allegations against
5 defendants.

6 22. Defendants reserve the right to supplement and amend this
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8 Answer, including by addition of such other and different defenses as may
9 be available to them or either one of them.

10 WHEREFORE Defendants pray that the Complaint against them be
11
12 dismissed, with prejudice, taxing all costs against the Plaintiff, and an
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14 award of such other and different relief as the Court may deem just and
15 equitable, including an award of reasonable attorney fees if allowed under
16 applicable law.

17 DATED: February 15, 2022.

18
19 WAID LAW OFFICE, PLLC

20 BY: /s/Brian J. Waid
21 BRIAN J. WAID
22 WSBA No. 26038
23 Attorney for Defendants
24 [Limited Engagement]

CERTIFICATE OF SERVICE

I hereby certify that on February 15, 2022, I served a copy of foregoing pleading on all counsel of record through their respective attorneys of record via the Court's ECF delivery system.

Dated: February 15, 2022.

WAID LAW OFFICE, PLLC

BY: /s/ Brian J. Waid

BRIAN J. WAID

WSBA No. 26038

Attorney for Defendants

[Limited Engagement]